

INTELLOFAX 21

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INFORMATION REPORT

CL NO.

COUNTRY Germany (Soviet Zone)

SUBJECT Production, Shortages, and Reparation Problems

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DATE OF
INFO. 1 January 1950 through 30 January 1951

**SUPPLEMENT TO
REPORT NO.**

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1. The following report concerns various scarcities, reparation problems, new plants and production in several factories.
2. At a conference of leading employees of the VVB (Z) VEM (VVB des Elektro-Maschinenbaues), it was revealed that the West had blocked the supply of nonferrous metals, thus endangering the success of the Five-Year Plan. Metal sheets used in the electro-technical industry for transformers and motors are lacking as well as ball bearings. Slide bearings made of sintered iron are being widely used as substitutes. In order to overcome these difficulties, smuggling from Western Germany on a large scale will be organized. Research and development centers are to emphasize the production of substitutes.
3. As a consequence of the scarcity of nonferrous metals, the Elmowerke, Wernigerode, was forced to suspend production of large motors. The raw materials on hand were used for the production of small motors in order to obtain the highest possible unit production figure. Nine hundred out of twenty-seven hundred workers are unemployed but continue to be paid their wages. By this procedure, it is hoped to avoid undue attention to the situation.
4. The Russians stated that the Germans have met their reparations obligations by 100%, although they have delivered only 50% of their commitments of non-ferrous metals. In a speech before leading employees of the VEM, the personnel director of the VVEAM (Vereinigung Volkseigener Erfassungs- und Aufkaufbetriebe, Association of State Purchase and Procurement Agencies) discussed the calculation of reparations. According to this speech, 10 percent of the raw materials processed in the DDR must be delivered to Russia as reparations in the form of finished goods according to Russian specifications. Only the weight of the raw materials is to be credited to reparations. For example,
 - a. medical instruments credited as iron ore
 - b. furniture " lumber
 - c. chemicals " coal.
5. A new key plant with 3,500 employees is to be set up in the vicinity of Falkensee and Spandau (Albrechtswerk Station). It is to serve mainly for research and development. However, it has not been disclosed by the Russians which problems are to be dealt with there. This plant is at the former Panzerwerke.

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CENTRAL INTELLIGENCE AGENCY

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6. A survey of the motor production in 1950 in the plants of the VEM reveals the following:

<u>Number</u>	<u>Type</u>
7,000	less than 1 KW
13,000	1-10 KW
25,000	10-50 KW
3,000	50-100 KW
3,000	100-500 KW
2,000	over 500 KW

Quotas had been set at about 30% higher than the number produced.

7. Fimag (Finsterwalder Maschinen GmbH) is now producing portable generators with a fuel consumption of one, two, and four liters (sic). They are equipped with switchboards and cable drums. Slide bearings made of sintered iron are being used in place of ball bearings. The following three types are being produced:

- 1.1 KVA, 120 V, 300 rpm
2. KVA, voltage ratio (Spannungsverhaeltnis) 54/38 V, 10A
- 3.75 KVA, three-phase current 3x220 V.

Also being produced are

- "Rohreineinbaumotoren," AC and DC, output up to 10 W at 5-10,000 rpm,
- Three-phase current generators 3.75 KVA, 3x220 V, 10 A with a maximum weight of 75 kg.